

Decision 01-02-081 February 27, 2001

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application for acquisition of indirect control
of Americatel Corporation (U-5918-C) by
Olivetti S.p.A. and Subsidiaries.

Application 01-01-028
(Filed January 16, 2001)

O P I N I O N

Summary

This decision approves, pursuant to Pub. Util. Code §§ 851 to 854, the transfer of control of Americatel Corporation (Americatel) from two of its three current owners to the third owner.

Background

On January 16, 2001, Americatel and Olivetti S.p.A. (Olivetti) and its subsidiaries filed an application seeking Commission authorization to transfer control of Americatel to one of its three current owners. As depicted by a diagram in Attachment A, Americatel is indirectly owned by Entel Chile S.A. (Entel). Entel currently has three owners. Pursuant to the agreement contemplated by this application, one of the three current owners, a subsidiary of Olivetti, will purchase the interests of the other two current owners.

Americatel is authorized to provide interLATA and intraLATA interexchange service in California pursuant to Decision (D.) 97-12-128.

The transfer will have no apparent effect on Americatel's customers, who will continue to be provided interexchange service by Americatel in its own name, pursuant to tariffs currently on file with the Commission. Thus after the

transaction, Americatel customers will continue to receive their telecommunications services at the same rates, terms, and conditions set forth in those tariffs, as modified from time to time.

No protests or requests for hearing have been filed.

Description of the Parties

A. Americatel

Americatel operates as a switchless reseller of interLATA and intraLATA telecommunications services pursuant to certificates of public convenience and necessity granted by this Commission. In addition, Americatel provides interexchange services in other states and provides interstate and international telecommunications services pursuant to authority granted by the Federal Communications Commission.

B. Olivetti

Olivetti is a diversified international company that is engaged, directly and indirectly, in manufacturing electronic office equipment and other products and the provision of various services, including telecommunications services.

Description of the Agreement

The proposed transfer of control will be accomplished through a transaction whereby Olivetti's second tier subsidiary, Stet International Netherlands, N.V., will purchase the interests of its co-owners in Entel, the indirect owner of Americatel.

After the transaction has been completed, the existing Americatel corporate structure will not change and each current Americatel customer will continue to receive service from Americatel, which will continue to provide customers with telecommunications services at the same rates, terms, and conditions set forth in those tariffs, as modified from time to time.

Discussion

This application is made pursuant to Pub. Util. Code §§ 851-854, which requires that a public utility obtain Commission approval of a transfer of assets or of control.¹

Applicants state that the proposed change in control will not result in any presently foreseeable changes in the operations of Americatel. The applicants also state that this change in control is sought for the mutual benefit of three current co-owners of Americatel.

Since the application involves only a change in the underlying ownership of the facilities, there is no possibility that the transaction will have a significant impact on the environment.

We approve the proposed transfer.

Since the application is noncontroversial, and no protests have been filed, it is proper for the Executive Director to issue an order approving the transfer. See D.86-08-057, 21 CPUC2d 549 (1986).

Findings of Fact

1. Notice of the filing of this application appeared in the Commission's Daily Calendar on January 23, 2001. No protests have been received.
2. Americatel is authorized by this Commission to provide interLATA and intraLATA interexchange service.
3. Pursuant to the terms of the proposed acquisition, one of the three indirect owners of Americatel will purchase the interests of the other two.
4. Terms and conditions of services offered to subscribers of Americatel would be unaffected by the proposed agreement.

¹ Section 854(b) requires that the Commission make additional findings where either utility has gross annual California revenues of \$500 million or more. The applicants have represented that neither have revenues in excess of that amount.

5. The proposed agreement will provide mutual benefits to the parties to the agreement.

6. Granting the application is not adverse to the public interest.

7. The Executive Director is authorized under previous decisions of the Commission to issue orders granting noncontested applications of nondominant interexchange carriers to transfer assets and control under Pub. Util. Code §§ 851-854.

8. There is no known opposition to the proposed transfer of assets and control.

Conclusions of Law

1. The application should be granted, subject to the conditions set forth in the ordering paragraphs.

2. No public hearing is necessary.

3. Granting this application will have no significant impact on the environment.

4. The following order should be effective immediately so that the contemplated transfer can take place promptly.

O R D E R

IT IS ORDERED that:

1. On or after the effective date of this order the owners of Americatel Corporation (Americatel) are authorized to transfer assets and control of Americatel, identified by its corporate identification numbers as U-5918-C under the provisions of Pub. Util. Code §§ 851-854, in accordance with the terms and conditions set forth in Application 01-01-028.

2. Applicants shall notify the Director of the Commission's Telecommunications Division in writing of the actual date of the transfer of control, as authorized herein, within 10 days of completion of the transfer.

3. Applicants shall notify all customers affected by the transfer and advise them that terms, conditions, and rates for service are unchanged.

4. Applicants shall make all books and records available for review and inspection upon Commission staff request.

5. The authority granted in this order shall expire if not exercised within 12 months after the effective date of this order.

6. Application 01-01-028 is closed.

This order is effective today.

Dated February 27, 2001, at San Francisco, California.

/s/ WESLEY M. FRANKLIN

WESLEY M. FRANKLIN
Executive Director

Attachment A

